SOCIO-ECONOMIC UPLIFTMENT AND LIVELIHOOD ENHANCEMENT THROUGH FINANCIAL INCLUSION SCHEMES - A SYSTEMIC SOCIAL AUDITING APPROACH

A

Synopsis

Submitted in pursuance of the requirements for the award of the degree of

DOCTOR OF PHILOSOPHY

In

MANAGEMENT

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2021

Section 1: INTRODUCTION

The process of economic growth, especially when it is on high growth line, must attempt to take participation from all sections of society. Lack of access to financial services for small/ marginal farmers and weaker sections of the society has been recognized as a serious threat to economic progress, especially in developing countries.

India has seen historic progress and growth in the past decade. While the growth story has been impressive, there are causes for concern on other dimensions. We have a long way to go in addressing concerns of absolute poverty. Low-income Indian households in the informal or subsistence economy often must borrow from friends, family, or usurious moneylenders. They have little awareness and practically no access to insurance products that could protect their financial resources in unexpected circumstances such as illness, property damage or death of the primary breadwinner.

FINANCIAL INCLUSION: -

Background:

Financial inclusion is globally considered as a critical indicator of development and well-being of society. While inclusive banking began, in spirit, with the nationalisation of banks in 1969 and 1980 in India, the real thrust on financial inclusion (FI) came in 2005 when the Reserve Bank of India (RBI) highlighted its significance in its annual policy statement of 2005-06. It urged banks to work towards reaching out to the masses, offering banking services down to the hinterland. The worrying fact was the mass exclusion of people from the formal banking system that hindered economic growth at the bottom of the pyramid. Then onwards RBI began to persuade banks to include financial inclusion as a business objective.

Financial inclusion is considered as an effective means to sustainable economic growth and is intended to ensure that each citizen of the country can use their earnings as a national financial resource for redeployment in productive sectors of the economy. Such pooled financial resources can be channelized to develop enterprises, fuelling the nation's progress. This underlying theme has brought financial inclusion in the spotlight and it has come to occupy centre-stage in financial intermediation.

Financial inclusion as a policy initiative entered the banking lexicon only after the recommendations of the Rangarajan Committee in 2008. It began to attract the attention of stakeholders when banks

realised the significance of connecting with more people for business growth. The span of financial services included provision of basic savings accounts, and access to adequate credit at affordable costs to vulnerable groups such as the excluded sections of the society and low-income households. The experience of microfinance units in India and abroad shows that vulnerable groups who pay serious interest rates to local moneylenders, can also be worthy borrowers of banks. One of the broader objectives of financial inclusion is to pull the poor community out of the net of exploitative moneylenders. But despite such emphasis, the penetration of banking services was initially mostly confined to urban areas and major cities, after which they started spreading to the hinterland. Financial inclusion thus became an integral part of the business domain of banks, with RBI advising all public and private banks to submit a board-approved, three-year financial inclusion plan (FIP) starting from April 2010. These plans broadly included self-set targets in terms of bricks-and-mortar branches in rural areas, clearly indicating coverage of unbanked villages with population above 2,000 and those with population below 2,000; deployment of Business Correspondents (BCs) and use of electronic/kiosk modes for provision of financial services; opening of no-frills accounts; and so on. For the dispensation of credit, Kisan Credit Cards (KCC), General Credit Cards (GCC), and other specific products designed to cater to the financially excluded segments, were introduced. Such accelerated microcredit was part of priority sector lending schemes of banks. Further, banks were advised to integrate financial inclusion plans with their business plans and to include the criteria on financial inclusion as a parameter in the performance evaluation metrics of their staff.

Among associated developments, RuPay – an Indian domestic debit card – was introduced on 26 March 2012 by the National Payments Corporation of India (NPCI). It has been a game changer in creating better digital infrastructure and enabled faster penetration of debit card culture.

The tectonic shift in financial inclusion:

The biggest change came with the roll out of '*Pradhan Mantri Jan Dhan Yojana* (PMJDY)' in August 2014. *Pradhan Mantri Jan Dhan Yojana* has been designed to ensure accelerated access to various financial services like basic savings bank accounts, affordable, need-based credit, remittances facilities, and insurance and pension for excluded sections. Such deep penetration at affordable cost can only be possible with effective use of technology. Hence, the banking ecosystem operating on core

banking mode, and ability of National Payments Corporation of India (NPCI) to scale-up issue of debit cards has enabled effective implementation of PMJDY. As a result, the number of new savings accounts opened by the banking system has been phenomenal under the scheme. The progress since its inception is interesting to observe.

Table 1. Progress of PMJDY up to 16 October 2019

Group of banks	Number of Total Beneficiaries (in Crore)	Deposits in Accounts (in Crore)	No of Rupay debit cards issued (in Crore)
Public sector banks	29.66	83235.70	24.48
Regional rural banks	6.37	19295.99	3.86
Private sector banks	1.27	2991.62	1.16
Total	**37.30**	**105523.30**	**29.50**

Source: PMJDY website

Added to the ongoing financial inclusion schemes, financial literacy and digital literacy campaigns of banks were closely monitored by RBI. Financial inclusion got renewed thrust with the launch of PMJDY because apex forums of RBI and Ministry of Finance monitored its focus. This has added a new dimension to the progress of financial inclusion by opening bank accounts on a large scale on mission mode. The benefit of such mass accretion to the customer base is expected to provide immense benefit to consumers and banks in the coming years.

Policy reforms for robust financial inclusion:

Having developed a strong financial inclusion infrastructure and PMJDY accelerating the progress, the next milestone should be to bring about a mind-set and cultural shift among newly connected beneficiaries to derive benefits from the formal financial system by borrowing from banks and repaying loans in time. This can boost micro and small enterprises, and hence alleviate poverty and raise the standard of living of the community at the grass-roots level. The next phase of financial inclusion is therefore less to do with policy and more to do with educating people, disseminate financial and digital awareness in the society, and making financial inclusion beneficiaries aware about the scope of expanding rural enterprises using their rights to borrow and duty to repay bank loans.

NGOs, corporate sector, banks, NBFCs (Non-Banking Financial Companies), and government departments currently engaged in FI should be persuaded to increase thrust. Unless using FI

infrastructure becomes a mass agenda, the real benefit cannot accrue to the society. Needless to emphasise, global research has already linked poverty alleviation to FI brought about through financial awareness (Michael Chibba 2009).

The research proposal covers various financial inclusion schemes launched by the current government in the recent past, especially after 2014. Whenever new government comes into power, they want to have a certain new vision. Similarly, the current government came with the objective that India should become the land of job creator instead of the job seeker (Kumar, 2016). The government aims to deliver appropriate financial services at an affordable cost, on timely basis to vulnerable groups such as low-income groups and weaker section who lack access to even the most basic banking services (Sonu Garg, Dr. Parul Agarwal, 2014).

Mahatma Gandhi had said- "The future of India lies in its villages." Thus, the government is working for the development of rural areas and putting them into the mainstream of financial inclusion.

Having invested huge sums of money in building financial inclusion infrastructure, the next wave of inclusion should be to prompt beneficiaries to use their access to financial services for improving their economic and social well-being.

"***I dream of a digital India where mobile & e-banking ensures Financial Inclusion"***

Prime Minister Shri Narendra Modi

Following schemes are taken into consideration regarding this study:

Table 2: Selected schemes for research

S. NO.	NAME OF THE SCHEME	YEAR OF LAUNCH
1	Pradhan Mantri Jan-Dhan Yojana (PMJDY)	28 August, 2014
2	Micro units development and refinance agency ltd. (MUDRA Scheme)	8 April 2015
3	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	9 May 2015
4	Atal Pension Yojana (APY)	9 May 2015

1.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

Honourable Prime Minister announced Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion in his Independence Day address on 15th August 2014, to ensure comprehensive financial inclusion of all the households in the country by providing universal access to banking facilities with at least one basic bank account to every household, financial literacy, access to credit, insurance, and pension facility. Under this, a person not having a savings account can open an account

without the requirement of any minimum balance and, in case they self-certify that they do not have any of the officially valid documents required for opening a savings account, they may open a small account. Further, to expand the reach of banking services, all over 6 lakh villages in the country were mapped into 1.59 lakh Sub Service Areas (SSAs), with each SSA typically comprising of 1,000 to 1,500 households, and in the 1.26 lakh SSAs that did not have a bank branch, Bank Mitras were deployed for branchless banking.

Thus, PMJDY offers unbanked persons easy access to banking services and awareness about financial products through financial literacy programmes. In addition, they receive a RuPay debit card, with inbuilt accident insurance cover of Rs. 2 lakhs, and access to overdraft facility upon satisfactory operation of account or credit history of six months. Further, through Prime Minister's Social Security Schemes, launched by the Honourable Prime Minister on 9th May 2015, all eligible account holders can access through their bank accounts personal accident insurance cover under Pradhan Mantri Suraksha Bima Yojana, life insurance cover under Pradhan Mantri Jeevan Jyoti Bima Yojana, and guaranteed minimum pension to subscribers under Atal Pension Yojana.

PMJDY was conceived as a bold, innovative, and ambitious mission. Census 2011 estimated that out of 24.67 crore households in the country, 14.48 crore (58.7%) had access to banking services. In the first phase of the scheme, these households were targeted for inclusion through opening of a bank account within a year of launch of the scheme. The actual achievement, by 26th January 2015, was 12.55 crore. As on 27.3.2019, the number of accounts has grown to 35.27 crore. Further, in 2011, only 0.33 lakh SSAs had banking facility and through provision of Bank Mitras in 1.26 lakh branchless SSAs, banking services were extended throughout rural India. The inclusive aspect of this is evident from the fact that 20.90 crore (60%) of PMJDY accounts are in rural areas and 18.74 crore (over 53%) PMJDY account holders are women.

The deposit base of PMJDY accounts has expanded over time. As on 27.3.2019, the deposit balance in PMJDY accounts was Rs. 96,107 crores. The average deposit per account has more than doubled from Rs. 1,064 in March 2015 to Rs. 2,725 in March 2019.

The Bank Mitra network has also gained in strength and usage. The average number of transactions per Bank Mitra, on the Aadhaar Enabled Payment System operated by Bank Mitras, has risen by over eightyfold, from 52 transactions in 2014-15 to 4,291 transactions in 2016-17.

The Guinness Book of World Records recognized this achievement, stating: "The most bank accounts opened in one week as a part of the financial inclusion campaign is 18,096,130 and was achieved by the Government of India from August 23 to 29, 2014". By 27 June 2018, over 318 million bank accounts were opened and over ₹792 billion (US$12 billion) were deposited under the scheme.

1.2 MUDRA Scheme (Micro Unit Development and Refinance Agency Ltd.)

MUDRA scheme launched by Honourable Prime Minister on April 8, 2015 for providing loan up to Rs. 10 lakh to the non-corporate, non-farm small/micro enterprises. This scheme launched with the objective of the micro unit to encourage entrepreneurship in India and provide funding to the non-corporate small business sector.

MUDRA would benefit fruits and vegetable sellers, food service units, machine operators, truck and taxi operators, hair salons, repair shops, artisans etc. in a rural and urban area with financing requirement depending upon the business category (i.e., Shishu, Kishore and Tarun) of the entrepreneur. These MUDRA loans are given by commercial banks, RRBs, small finance banks, cooperative banks, MFIs, and NBFCs. The offerings of MUDRA are shown below: -

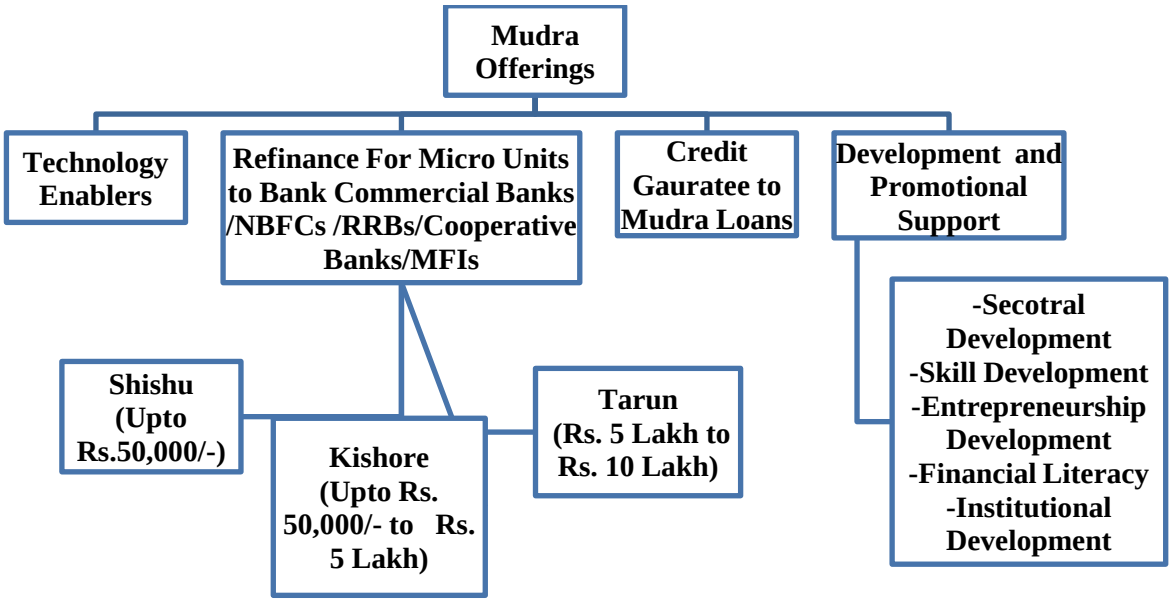

Mudra Offerings
Technology Enablers
Refinance For Micro Units to Bank Commercial Banks /NBFCs /RRBs/Cooperative Banks/MFIs
Credit Gauratee to Mudra Loans
Development and Promotional Support
Shishu (Upto Rs.50,000/-)
Kishore (Upto Rs. 50,000/- to Rs. 5 Lakh)
Tarun (Rs. 5 Lakh to Rs. 10 Lakh)
-Secotral Development
-Skill Development
-Entrepreneurship Development
-Financial Literacy
-Institutional Development

Figure 1: MUDRA offerings (Source: MUDRA Organization)

Under this scheme more preference will be given to Shishu category and then Kishore and Tarun category units. Products of MUDRA are designed in such a way so that growth and development of micro enterprises sector under Shishu, Kishore and Tarun category can meet the requirement of different segment. Funding support from MUDRA is of four types:

- Micro Credit Scheme (MCS) for loans up to Rs. 1 lakh finance through MFIs.
- Refinance scheme for Commercial Banks / Regional Rural Banks (RRBs) / Scheduled Co-operative Banks
- Women Enterprise programme
- Securitization of the loan portfolio

1.3 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Honourable Prime Minister launched PMJJBY and PMSBY schemes nationally in Kolkata on 9th May, 2015. The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a one year life insurance scheme, renewable from year to year, offering coverage for death due to any reason and is available to people in the age group of 18 to 50 years (life cover upto age 55) having a savings bank account who give their consent to join and enable auto-debit. The risk cover on the lives of the enrolled persons has commenced from 1st June 2015.

Under PMJJBY scheme, life cover of Rs. 2 lakhs are available for a one year period stretching from 1st June to 31st May at a premium of Rs.330/- per annum per member and is renewable every year. It is offered / administered through LIC and other Indian private Life Insurance companies. For enrolment banks have tied up with insurance companies. Participating Bank is the Master policy holder.

The assurance on the life of the member shall terminate on any of the following events and no benefit will become payable there under:

1) On attaining age 55 years (age near birthday) subject to annual renewal up to that date (entry, however, will not be possible beyond the age of 50 years).

2) Closure of account with the Bank or insufficiency of balance to keep the insurance in force.

3) A person can join PMJJBY with one Insurance company with one bank account only.

Individuals who exit the scheme at any point may re-join the scheme in future years by paying the annual premium and submitting a self-declaration of good health. Initial enrolment period in the scheme was from 1st May to 31st May '2015, which has now been extended up to 31st Aug' 2015, by this date eligible persons can join the scheme without giving self-certification of good health, even though eligible persons can join the scheme on any date by paying the premium for full year. In case of claim the nominees/heirs of the insured person must contact respective bank branch where the insured person was having bank account. A death certificate and simple claim form is required to submit, and the claim amount will be transferred to nominee's account.

1.4 Atal Pension Yojana (APY)

APY was launched on 9th May 2015 by the Prime Minister. APY is open to all saving bank/post office saving bank account holders in the age group of 18 to 40 years and the contributions differ, based on pension amount chosen. Subscribers would receive the guaranteed minimum monthly pension of Rs. 1,000 or Rs. 2,000 or Rs. 3,000 or Rs. 4,000 or Rs. 5,000 at the age of 60 years. Under APY, the monthly pension would be available to the subscriber, and after him to his spouse and after their death, the pension corpus, as accumulated at age 60 of the subscriber, would be returned to the nominee of the subscriber. The minimum pension would be guaranteed by the Government, i.e., if the accumulated corpus based on contributions earns a lower than estimated return on investment and is inadequate to provide the minimum guaranteed pension, the Central Government would fund such inadequacy. Alternatively, if the returns on investment are higher, the subscribers would get enhanced pensionary benefits.

In the event of pre-mature death of the subscriber, Government has decided to give an option to the spouse of the subscriber to continue contributing to APY account of the subscriber, for the remaining vesting period, till the original subscriber would have attained the age of 60 years. The spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse. After the death of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber. As on 31st March 2019, a total of 149.53 lakh subscribers have been enrolled under APY with a total pension wealth of Rs. 6,860.30 crore.

Social Audit: -

In the context of government schemes, a social audit is an accountability tool that measures, evaluates, identifies gaps in service delivery and elicits promises to rectify these gaps with the direct participation of intended beneficiaries in this process. In its essence, social auditing is a monitoring tool that empowers citizens to not only keep a track of utilisation of funds but most importantly gauge the effectiveness of a scheme by looking at its impact, whether the scheme has been beneficial for its target audience and allows an organisation to evaluate the sustainable roll out of a scheme.

The word 'audit' is derived from the Latin term 'audire' which means 'to hear'. True to its etymology, a very important component of a social audit is the public hearing that follows the evaluation process, where informed citizens raise concerns that are addressed in real time by the concerned authority figures with promises of immediate rectification.

Social audits or the process of cross-verification of government records with realities on the ground completes the feedback loop in the accountability chain. It creates a platform for the poorest and most disempowered to participate in governance.

The direct objective of the social audit process is to expose corruption, the social audits are a critical mechanism through which to empower citizens and strengthen democratic action.

The process of social auditing of government schemes is straightforward. For instance, under the National Rural Employment Guarantee Act, 2005 (MGNREGA) which enshrined social audits in the Act, the first step is to gather all the records regarding the scheme such as muster rolls, maintained by the administration are collected and pored over. Based on these readings, surveys are prepared, and social auditors administer the surveys across the geographical area of the audit and conduct spot inspections.

More recently, governments in Uttar Pradesh and Uttarakhand have initiated social audits of development projects and welfare schemes related to rural areas. The CAG has also recommended social audit of local bodies' schemes for better accountability of the effectiveness of fund allocation.

In a recent development, Meghalaya became the first state in India to legislate a Social Audit law which makes social audit of state-run schemes mandatory.

Significance of social audit

As is evident, social audits help empower citizens to be directly involved in the programmes of a welfare state and to raise grievances before an authority figure(s), instead of being mute recipients of government doles. A realisation of what one is entitled to by law and the empowerment that comes along with demanding this rightful entitlement is a happy by-product of a social audit.

From the perspective of the agency that is implementing the scheme, it is a means to evaluate how the scheme is being rolled out, identify lacunae that are impeding service delivery and to an extent, even for relationship building with a community to disperse feelings of mistrust and disenchantment.

The main reason for the push for social audit is the huge disconnect between what people want and what people get. This is mainly because of the game of bribes and swindling of public fund for vested interest as shown in figure 2.

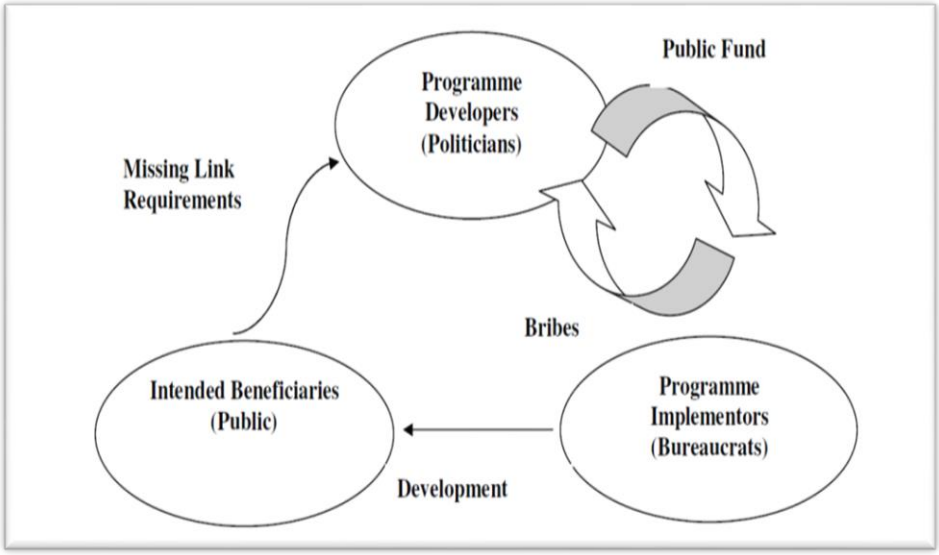


Figure 2: need for social audit

Social audit in India

Legal framework of Social Audit based on Mahatma Gandhi National Rural Employment Guarantee Act No.42/2005, under section 17. Social Audit implemented by Society for Social Audit for Accountability and Transparency (SSAAT). Established by Department of Rural Development, status is independent and autonomous. Integrated NGOs into SSAAT structures. Audit program focuses on rural development sector. Tools in use include the Community Score Card and Citizens Report Card.

Section 2: LITERATURE REVIEW

A review of literature was performed to understand the broad concept of effect of financial inclusion schemes on socio-economic upliftment and livelihood enhancement on service quality on Indian ecommerce website's financial performance and the mediating role of customer satisfaction. A summary of the literature reviewed under the given classification has been exhibited in Table 3 at the end of this section.

India is one of the largest and fastest growing economies of the world, but what has been the most disturbing fact about its growth is that its growth has not only been uneven but also discrete. It has been uneven in the sense that there has been no uniformity in its growth performance, and it has been discrete and disconnected regarding growth and distribution of growth benefits to certain sectors of economy. And thus, the need for inclusive growth comes in the picture of Indian economic development. However, for attaining the objectives of inclusive growth there is a need for resources, and for resource generation and mobilization financial inclusion is required. It plays a very crucial role in the process of economic growth (Radhika Dixit & Munmun Ghosh, 2013)

Finance has become an essential part of an economy for development of the society as well as economy of nation. For, this purpose a strong financial system is required in not only in under-developed countries and developing countries but also developed countries for sustainable growth. Through Financial inclusion we can achieve equitable and inclusive growth of the nation. Financial inclusion stands for delivery of appropriate financial services at an affordable cost, on timely basis to vulnerable groups such as low income groups and weaker section who lack access to even the most basic banking services (Sonu Garg, Dr. Parul Agarwal, 2014).

As the majority of the rural population is still not included in the inclusive growth, the concept of financial inclusion becomes a challenge for the Indian economy. Since 2005, many concerted measures are initiated by the Reserve Bank of India and Government of India in favor of financial inclusion but the impact of these did not yield satisfactory results. (Charan Singh, Akanksha Mittal, 2014).

The present government has introduced many social schemes (Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Suraksha Bima Yojana, and Atal Pension Yojana) to enhance the financial inclusion

and to provide banking and financial services to all section of the society. (GONU, Avaneesh Kumar, 2017)

Encouraged by the success of the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Government of India proposed to work towards creating a universal social security system for all Indians that will ensure that no Indian citizen will have to worry about illness, accidents or penury in old age. Government announced insurance schemes Pradhan Mantri Suraksha Bima Yojana (for Accidental Death and Disability), Pradhan Mantri Jeevan Jyoti Bima Yojana (for life insurance) and Atal Pension Yojna (for pension). (Vidyashree DV, Pralhad Rathod, 2015).

People have awareness about PMJDY scheme irrespective of various demographic factors such as age, gender, occupation, education. The main reason for opening PMJDY account is, the account holders can maintain zero balance in their accounts. The most used feature of PMJDY account is the facility to maintain zero balance in accounts and overdraft facilities provided under the scheme. Large number of bank accounts is opened under this scheme and helps in bringing the financially excluded population to be part of formal financial sector.(S. Nair Swathy, 2019).

Most of the people participate in unorganized finance like private chits, hand loans so on. Many people have bank accounts but are not familiar with other banking services due to reasons like; 1. Dissemination of financial schemes by village heads, 2. Lack of financial literacy and 3. Lukewarm response from bank authorities the above results made more enthusiastic to go for a detail study about socio economic profile, reach of government's schemes, hurdles/obstacles for implementation from both bankers and public point of view (Dr. Rakesh, 2017).

Existing system of insurance and pension sector needs exposure to its pattern and easing of norms. These industries overtaking its evolution have a long way to achieve indispensable growth near future. The Indian insurance scenario remains sombre in the initial period of its liberalization but now it is projected to touch US$ 350-400billion by 2020. There is immense scope and potential in the coming years for these sectors. A paradigm shift can be seen in coming times when choice of schemes would be available even in the unorganised sector as there are ample of subscribers still left to join. (Ms. Vibha Johia, 2017).

The small businesses form the foundation of the economic strata needs to be strengthened and supported. A large number of initiatives have been taken in the past few years are a step in the right direction. MUDRA Yojana is the latest scheme to boost the small and micro businesses in India. This initiative has been taken to focus exclusively on entrepreneurs. This scheme will contribute to the well-being of the individuals engaged in small scale industries which will positively affect the progress of the economy as a whole. MUDRA as a financial tool is found very effective in its initial stages across the country. (Anup Kumar Roy, 2016).

Government initiatives to encourage young and educated entrepreneurs are a useful tool in Job creation. It not only meant to provide employment opportunities but also plays a vital role in women empowerment. It helps the women to become self-reliant and help the underprivileged class to self-employed. Mudra Yojana should be implemented effectively in all the states. In this context financial awareness programme should be conducted regularly and should reach the ground level. However, the initiative under PPMY is indeed a game changer. (Anugrah Rohini Lall, 2018).

Irrespective of the nature - public or private, the essence of social audit lies in the interest and honesty of the organisations. In government sector, this requires a massive consciousness among public, besides top to bottom bureaucratic and political will with improved methodology with ethical values to achieve the desired goal. (Rupa Salui Karmakar, 2017).

To make the social audits more effective and efficient few things need to be taken care of, like: i) While conducting a social audit, it is required that the purpose is clearly defined. ii) The stakeholders should be properly identified. iii) A note should be made of whether marginalized social groups have a say on local development issues and activities and have their views on the actual performance of local elected bodies. iv) The auditor must obtain information from reliable sources. (Sushmita Gahlot, 2013).

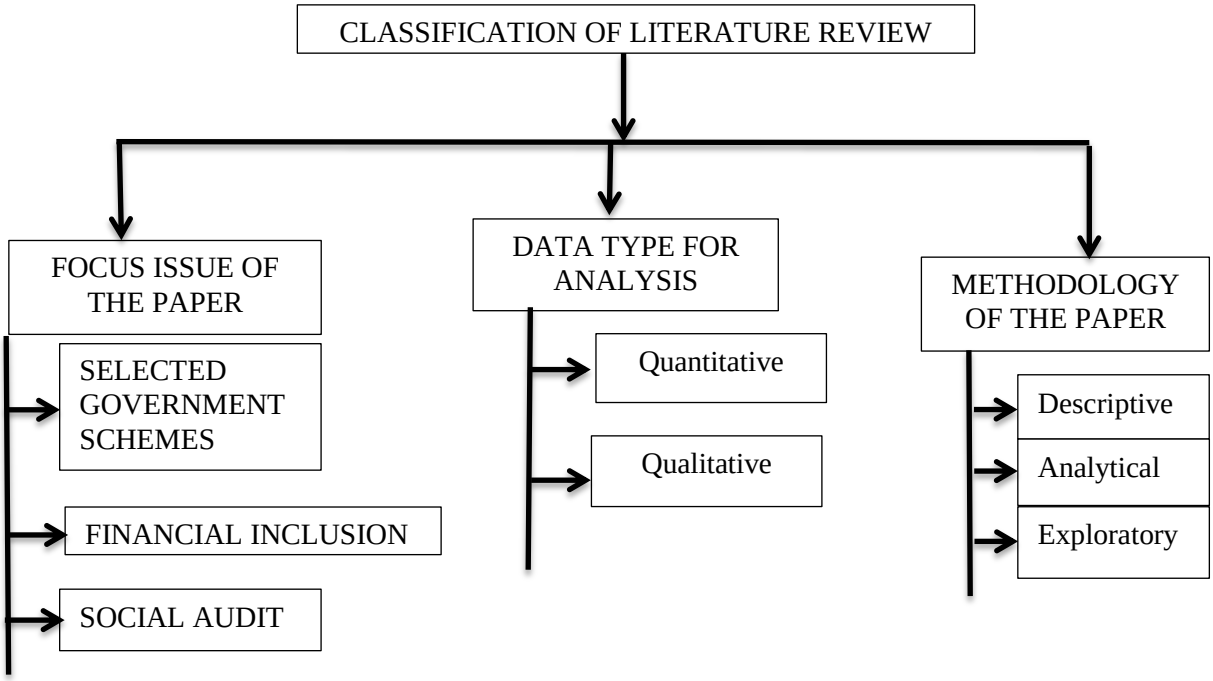


Figure 3: Classification of Literature Review

Section 3: Research Gap: -

"Financial Inclusion" is the way the Governments strive to take the common man along by bringing them into the formal channel of economy. There are many new schemes launched by the government related to it. There is no study has been done till now to check the ground realities about these schemes from the perspective of its beneficiaries by using an effective approach like social auditing.

3.1 Need of the study

Direct participation in public policy processes has gained importance in recent decades. During the last third of the 20th century, participation and citizens monitoring in public affairs have spread in various regions of the world, especially in countries that are willing to strengthen their governments (Fox, 2014: 9).

This research aims to analyse that citizen participation could have a positive impact on the design and implementation of policies, on the provision and quality of the goods and services; on the use of public resources, and therefore improve governance.

These nationwide programs doing commendable service to nation but there are important issues related to effectiveness of it. This research is aimed to study the role of social auditing in improving the effectiveness of this program.

3.2 Research Objectives

The proposed study has the following major objectives:

- To identify and evaluate the operational effectiveness of selected financial inclusion schemes of Government of India
- To explore the impact of selected schemes on uplifting the socio-economic upliftment and livelihood enhancement of target beneficiaries
- To recommend potential improvements and course of action in financial inclusion schemes based on prevailing enablers and challenges

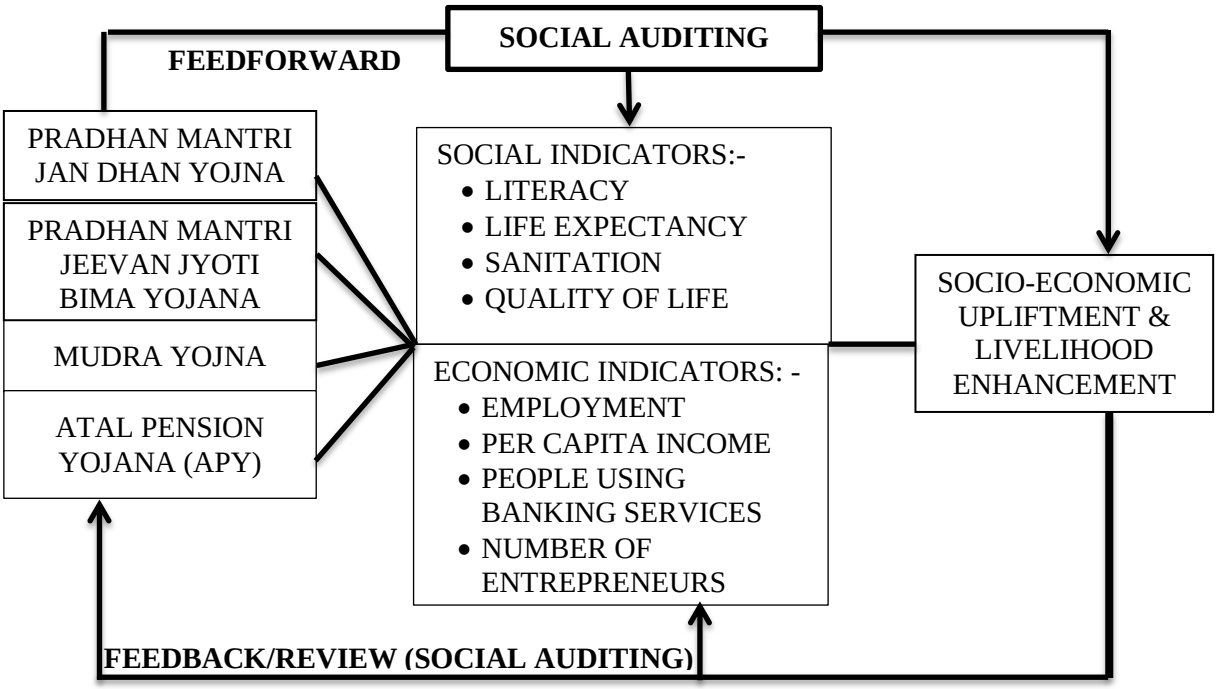
Conceptual Framework and Hypothesis Development

FINANCIAL INCLUSION AND DEVELOPMENT

This role encapsulates the essence of renewed national focus on Financial Inclusion, promoting financial education and literacy and making credit available to productive sectors of the economy including the rural and MSME sector.

"To be an integrated financial and support services provider par excellence benchmarked with global best practices and standards for the bottom of the pyramid universe for their comprehensive economic and social development." It is the vision of government of India behind launching the financial inclusion schemes.

In the long run, these schemes will allow the poorer sections to avail themselves of subsidies and overdraft facilities through their bank accounts, which are intended to eliminate money-lenders, commission agents and corruption and raise the socio economic standards of the beneficiaries.



Hypothesis

H_0: There is no impact of selected financial inclusion schemes on socio-economic upliftment and livelihood enhancement of beneficiaries.

H_a: There is an impact of selected financial inclusion schemes on socio-economic upliftment and livelihood enhancement of beneficiaries.

Section 4: METHODOLOGY OF PROPOSED RESEARCH

4.1 Nature of the study

The present research is descriptive and analytical in nature. The research is descriptive because it studies the selected schemes in detail and its impact on uplifting the financial status of beneficiaries in Agra district. This research is analytical also because it analyses the role of selected schemes in uplifting the socio-economic status in the state. This research would also assess the deficiencies and the constraint experienced by the beneficiaries under selected schemes.

4.2 Scope of the Study

The proposed area for the research coverage will be Agra District.

Reason for selecting Agra District as proposed area for research: -

Uttar Pradesh has the highest population with over 155 million people living in rural areas with low availability of resources with highest requirement and need for financial inclusion schemes.

It also has the high coverage of scheme in terms of number of beneficiaries and Agra district has the largest number of target population covered by the schemes reported on the official websites of the schemes.

Also, Agra ranked very poor on Ease of Living Index 2018 which was conceived by Ministry of Housing and Urban Affairs in June 2017. The ranking was based on four pillars including Institutional (governance), Social (identity, education, health, security), Economic (economy, employment) and Physical factors (wastewater and solid waste management, pollution, housing/ inclusiveness, mixed land use, power and water supply, transport, public open spaces) and 15 parameters such as governance, identity and culture, education, health, safety and security, economy, affordable housing, land use planning, public open spaces, transportation and mobility, assured water supply, waste-water management, solid waste management, power, and quality of environment.

4.3 Sample size

State/District Name	Allotted Wards-SSAs	Wards-SSAs Survey Done	Total Households	Covered Households	Households Coverage %
Uttar Pradesh	37424	37424	31159992	31159148	100.00%
Agra	668	668	Estimated-556175		100.00%

Source- PMJDY official website, 2019

Proposed sample size is calculated by using Gauss Jordan formula.

n = N*X / (X + N – 1),

Where,

X = Zα/22 -*p*(1-p) / MOE2,

And Zα/2 is the critical value of the Normal distribution at α/2 (e.g., for a confidence level of 95%, α is 0.05 and the critical value is 1.96), MOE is the margin of error, p is the sample proportion (0.5), and N is the population size.

Note that a Finite Population Correction has been applied to the sample size formula.

According to this formula, based on the level of confidence taken as 95% and confidence interval as 5%, Target Respondent Household sample size of 384 units is estimated.

Hence, the proposed Target Sample Sample-size will be 400 (Rounding off) out of total Population estimated households of 556175 in Agra District.

4.4 Sampling Technique

Systematic random sampling will be used to collect data from the respondents. This is type of probability sampling method in which sample from a large population is selected according to a random starting point. This often reduces the representativeness of the sample by reducing sampling error.

4.5 Data collection instruments

4.5.1 Primary data tools

The tool used for the purpose of primary data collection would be questionnaire and personal interview.

4.5.2 Secondary data

Secondary data will be collected through various magazines, journals, newspapers, websites and annual reports from 2016-2021.

4.6 Data Analysis and Techniques

Relevant analytical tools like Regression, Correlation, ANOVA, time-series analysis, Systems modelling, Causal Loop Diagrams (CLD) are proposed to be used. A final recommendation Model will be developed based on detailed data analysis and interpretations.

Section 5: PROPOSED CHAPTERIZATION

The proposed research will contain the following chapters:

- Chapter 1: Introduction
- Chapter 2: Review of literature
- Chapter 3: Research design and methodology
- Chapter 4: Data collection and analysis
- Chapter 5: Results and interpretations
- Chapter 7: Managerial implications, conclusion, and direction for future research
- Bibliography and references
- Appendix

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